

0965 California Industrial Development Financing Advisory Commission

The California Industrial Development Financing Advisory Commission's (CIDFAC) mission is to create employment opportunities and to support local economic development. CIDFAC meets this goal by providing low cost financing through the issuance of Industrial Development Bonds (IDBs) to manufacturers through its partnership with local governments. CIDFAC is mandated to provide technical assistance to local government issuing agencies such as: cities, counties, economic development authorities, redevelopment agencies or joint power authorities. CIDFAC independently reviews IDB applications to ensure compliance with federal and state statutes and approves the sale of IDBs by local authorities.

The State Treasurer serves as chairperson of the Commission. The other members are the Director of the Department of Finance, the State Controller, and the Commissioner of the Department of Corporations.

3-YR EXPENDITURES AND POSITIONS (Summary of Program Requirements)

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
10 California Industrial Development Financing Advisory Commission	1.6	2.0	1.0	\$220	\$150	\$335
TOTALS, POSITIONS AND EXPENDITURES (All Programs)	1.6	2.0	1.0	\$220	\$150	\$335
FUNDING				2005-06*	2006-07*	2007-08*
0215 Industrial Development Fund				\$145	\$75	\$260
0995 Reimbursements				75	75	75
TOTALS, EXPENDITURES, ALL FUNDS				\$220	\$150	\$335

LEGAL CITATIONS AND AUTHORITY

DEPARTMENT AUTHORITY

Government Code Sections 91500 to 91564, Financial Code Section 1364, Insurance Code Section 1192.

DETAILED BUDGET ADJUSTMENTS

Baseline Adjustment Descriptions	2006-07*			2007-08*		
	General Fund	Other Funds	Positions	General Fund	Other Funds	Positions
• Reduction of Staffing and Appropriation	\$-	\$-	-	\$-	-\$151	-1.0
• Abolished Vacant Position	-	-79	-1.0	-	-79	-1.0
• Other Baseline Adjustments	-	-328	-	-	8	-
Totals, Baseline Adjustments	\$-	-\$407	-1.0	\$-	-\$222	-2.0
TOTALS, BUDGET ADJUSTMENTS	\$-	-\$407	-1.0	\$-	-\$222	-2.0

PROGRAM DESCRIPTIONS (Program Objectives Statement)

10 CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION

The core program area is the Industrial Development Bond (IDB) Program where the California Industrial Development Financing Advisory Commission (CIDFAC) serves as the mandatory approval agency for local IDB issuers as required by California statute. Once potential borrowers (manufacturers and processing companies) apply through their local government agency for low cost tax-exempt financing, CIDFAC carefully reviews the public benefits generated by the proposed project, particularly job creation, and determines whether these benefits will significantly outweigh any detrimental public effects from the project. Eligible capital expenditures include the acquisition of land, building construction, building renovation, and the purchase of machinery and equipment. Bond proceeds can also be used to cover the costs of architects, engineers, attorneys, permits, and the costs of bond issuance. The local government issuer can be a city, county, economic development authority, redevelopment agency, or a joint power authority such as the California Statewide Community Development Authority.

The Federal Tax Law that authorizes the issuance of IDBs also includes Empowerment Zone Bonds (EZ Bonds), which fall within CIDFAC's issuance jurisdiction. CIDFAC's EZ Bond Program has the objective of augmenting the benefits of the IDB program to provide further support for economic development in the most distressed communities in California. The EZ Bond Program expands the eligibility of borrowers to manufacturers, retailers, and any service that operates in an Empowerment Zone. The EZ Bond program removes the maximum dollar restriction (applicable to IDBs) on the size of the issuance. There are four federally designated Empowerment Zones in California: Los Angeles, Santa Ana, San Diego, and an unincorporated section of Riverside County. These communities received this federal designation based on their high unemployment and high poverty rates.

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued**DETAILED EXPENDITURES BY PROGRAM (Program Budget Detail)**

		2005-06*	2006-07*	2007-08*
PROGRAM REQUIREMENTS				
10	CALIFORNIA INDUSTRIAL DEVELOPMENT FINANCING ADVISORY COMMISSION			
State Operations:				
0215	Industrial Development Fund	\$145	\$75	\$260
0995	Reimbursements	75	75	75
Totals, State Operations		\$220	\$150	\$335
TOTALS, EXPENDITURES				
State Operations		220	150	335
Totals, Expenditures		\$220	\$150	\$335

EXPENDITURES BY CATEGORY (Summary By Object)

1 State Operations	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
PERSONAL SERVICES						
Authorized Positions (Equals Sch. 7A)	1.6	2.0	2.0	\$148	\$195	\$195
Total Adjustments	-	-	-1.0	-	-	-79
Estimated Salary Savings	-	-	-	-	-79	-
Net Totals, Salaries and Wages	1.6	2.0	1.0	\$148	\$116	\$116
Staff Benefits	-	-	-	49	24	44
Totals, Personal Services	1.6	2.0	1.0	\$197	\$140	\$160
OPERATING EXPENSES AND EQUIPMENT				\$23	\$10	\$175
TOTALS, POSITIONS AND EXPENDITURES, ALL FUNDS (State Operations)				\$220	\$150	\$335

DETAIL OF APPROPRIATIONS AND ADJUSTMENTS (Reconciliation with Appropriations)

1 STATE OPERATIONS	2005-06*	2006-07*	2007-08*
0215 Industrial Development Fund			
APPROPRIATIONS			
001 Budget Act appropriation	\$484	\$482	\$260
Adjustment per Section 3.60	-2	-	-
Totals Available	\$482	\$482	\$260
Unexpended balance, estimated savings	-337	-407	-
TOTALS, EXPENDITURES	\$145	\$75	\$260
0995 Reimbursements			
APPROPRIATIONS			
Reimbursements	\$75	\$75	\$75
TOTALS, EXPENDITURES, ALL FUNDS (State Operations)	\$220	\$150	\$335

FUND CONDITION STATEMENTS

	2005-06*	2006-07*	2007-08*
0215 Industrial Development Fund⁵			
BEGINNING BALANCE	\$51	\$19	\$97
Prior year adjustments	5	-	-
Adjusted Beginning Balance	\$56	\$19	\$97

* Dollars in thousands, except in Salary Range.

0965 California Industrial Development Financing Advisory Commission - Continued

	2005-06*	2006-07*	2007-08*
REVENUES, TRANSFERS, AND OTHER ADJUSTMENTS			
Revenues:			
125600 Other Regulatory Fees	105	150	260
150300 Income From Surplus Money Investments	<u>3</u>	<u>3</u>	<u>4</u>
Total Revenues, Transfers, and Other Adjustments	<u>\$108</u>	<u>\$153</u>	<u>\$264</u>
Total Resources	\$164	\$172	\$361
EXPENDITURES AND EXPENDITURE ADJUSTMENTS			
Expenditures:			
0965 California Industrial Development Financing Advisory Commission (State Operations)	<u>145</u>	<u>75</u>	<u>260</u>
Total Expenditures and Expenditure Adjustments	<u>\$145</u>	<u>\$75</u>	<u>\$260</u>
FUND BALANCE	\$19	\$97	\$101
Reserve for economic uncertainties	19	97	101

CHANGES IN AUTHORIZED POSITIONS

	Positions			Expenditures		
	2005-06	2006-07	2007-08	2005-06*	2006-07*	2007-08*
Totals, Authorized Positions	1.6	2.0	2.0	\$148	\$195	\$195
Workload and Administrative Adjustments:				Salary Range		
C.E.A. I	<u>-</u>	<u>-</u>	<u>-1.0</u>	<u>5,768-7,324</u>	<u>-</u>	<u>-79</u>
Totals, Workload & Admin Adjustments	<u>-</u>	<u>-</u>	<u>-1.0</u>	<u>\$-</u>	<u>\$-</u>	<u>-\$79</u>
Total Adjustments	<u>-</u>	<u>-</u>	<u>-1.0</u>	<u>\$-</u>	<u>\$-</u>	<u>-\$79</u>
TOTALS, SALARIES AND WAGES	1.6	2.0	1.0	\$148	\$195	\$116

* Dollars in thousands, except in Salary Range.